



City of Benbrook

CITY COUNCIL COMMUNICATION

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02/17/2022	EDC-2022-01	Approve a Temporary Commercial Lease Agreement between the Benbrook Economic Development Corporation (BEDC) and Kenneth Russell	1 of 2

BACKGROUND

Kenneth Russell, owner of several Russell Feed & Supply stores in the area, has continually operated his first store located at 8704 Benbrook Boulevard in Benbrook since 1997. For the past couple of years, Mr. Russell has worked with the Benbrook Economic Development Corporation (BEDC) and the City on plans to replace the Benbrook store with a new, larger building.

To avoid closure of the Benbrook store during construction of the new building, Mr. Russell and BEDC (approved by City Council) entered into a one-year, no cost lease agreement (with a three-month extension option) to allow Mr. Russell to temporarily relocate the Benbrook store to the BEDC owned 8,000 SF building located at 9331 Westpark Drive. The three-month extension will expire on March 31, 2022.

Due to the pandemic and construction delays, Mr. Russell has not completed construction of the new building and is requesting a new lease that will start on April 1, 2022 and run through June 30, 2022. The lease agreement includes a six-month extension option that expires on December 30, 2022. Mr. Russell has the option to terminate the lease at any time (two-week notice required) without penalty.

BEDC unanimously approved the new lease agreement with Mr. Russell during the January 18, 2022, Board meeting.

The City has issued a building permit for the new building, which is currently under construction.

LEASE AGREEMENT

The Agreement outlines the obligations of each party, term of three months with a possible six-month extension, and the discount rental rate of \$6,000 per month, if performance measures are met by February 15, 2022. The performance measures include:

- All required engineering and construction plans for the Russell Feed Store located at 8704 Benbrook Boulevard must be approved, and
- Vertical construction must have commenced on the building, or

SUBMITTED BY:	DISPOSITION BY COUNCIL: Y APPROVED Y OTHER (DESCRIBE)	PROCESSED BY:
CITY MANAGER		CITY SECRETARY
		DATE:

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- Mr. Russell must provide the receipt showing the building package has been ordered by February 15, 2022.

If the performance measures are not met by February 15, 2022, the monthly rental rate for the property will be \$7,746. Other than the term, rental rate, and performance measures, the obligations in the agreement are the same as the prior lease.

RECOMMENDATION

The BEDC Board of Directors recommends that the City Council approve the Lease Agreement between the Benbrook Economic Development Corporation and Kenneth Russell.